

NCA
VOC FOR IOP/FN
BACKGROUNDER NO. 1-9944
WAYNE COREY/BANGKOK

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SOUTH VIETNAM'S ECONOMIC PROBLEMS

ANNCR:

THE SOUTH VIETNAMESE COMMUNIST REGIME HAS ACKNOWLEDGED THAT ECONOMIC PROBLEMS ARE SERIOUSLY AFFECTING THE LIVES OF ITS PEOPLE. WITH A REPORT ON THE SITUATION, HERE IS WAYNE COREY IN BANGKOK:

VOICE:

REPORTS OF HOARDING, SPECULATION AND SHARPLY FLUCTUATING PRICES HAVE BEEN COMING OUT OF SOUTH VIETNAM FOR MONTHS. THEY HAVE NOW BEEN PUBLICLY CONFIRMED BY SAIGON'S GIAPHONG NEWS AGENCY. A GIAPHONG EDITORIAL LAST WEEK SAID SPECULATORS AND HOARDERS HAVE ACTIVELY BROUGHT UP SEVERAL KINDS OF GOODS, STORED THEM AT MANY DIFFERENT PLACES AND RESOLD THEM AT EXORBITANT PRICES.

THE GIAPHONG EDITORIAL ALSO SAID UNSCRUPULOUS BUSINESSMEN ARE TAKING ADVANTAGE OF LOOP-HOLES IN GOVERNMENT REGULATIONS IN ORDER TO BUY RICE AND RICE PADDIES IN COMPETITION WITH THE STATE. THE SOUTH VIETNAMESE COMMUNIST REGIME HAS SEVERELY CONDEMNED WHAT IT CALLS, THE COMPRADOR BOURGEOISIE--A TERM FOR CHINESE MERCHANTS WHOSE WAREHOUSES HAVE REPORTEDLY BEEN RAIDED BY GOVERNMENT AGENTS AND SOME FOUND TO BE FULL OF GOODS NOT AVAILABLE IN SAIGON'S MARKETS OR ONLY AVAILABLE AT HIGHLY INFLATED PRICES.

THE FACT REMAINS THAT GOVERNMENT POLICIES HAVE PARTLY CONTRIBUTED TO THE ECONOMIC PROBLEM. THE NEW SAIGON GOVERNMENT HAS BEEN TRYING TO MAKE LIFE AS UNCOMFORTABLE AS POSSIBLE IN SAIGON SO SOME OF ITS THREE AND A HALF MILLION

RESIDENTS WILL LEAVE FOR THE SO CALLED "NEW ECONOMIC ZONES" WHICH HAVE BEEN ESTABLISHED IN THE COUNTRYSIDE. REPORTS SAY PRICES ARE MUCH HIGHER IN SAIGON THAN THEY ARE IN RURAL AREAS. IN SAIGON, PORK WHICH COSTS ABOUT TWO DOLLARS A KILOGRAM A FEW MONTHS AGO IS NOW SLIGHTLY MORE THAN THREE DOLLARS. IN ADDITION, FISH, COOKING OIL AND VEGETABLES ARE SAID TO COST TWICE AS MUCH NOW AS THEY DID IN SEPTEMBER.

DESPITE THE INCREASING DIFFICULTY ECONOMIC LIFE IN SAIGON, FEW RESIDENTS APPEAR EAGER TO LEAVE FOR THE COUNTRYSIDE. MEANWHILE, THE SOUTH VIETNAMESE REGIME HAS EXECUTED A NUMBER OF PEOPLE SAID TO BE CRIMINALS AND IT HAS PUBLICLY HINTED THAT RISING CRIME IS A PROBLEM OF STEADILY INCREASING PROPORTIONS. ANALYSTS SAY IT IS QUITE CLEAR THAT THE PROVISIONAL REVOLUTIONARY GOVERNMENT IS ENCOUNTERING MORE ECONOMIC OBSTACLES THEN IT ANTICIPATED WHEN NORTH VIETNAMESE AND VIET CONG TROOPS CAPTURED SAIGON LAST APRIL.

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